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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 004814

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SUBJECT: SENATE PRESIDENT VILLAR SEEKS QUANTIFIABLE RESULTS

Classified By: (U) Ambassador Kristie A. Kenney
for reasons 1.4(b) and (d).

11. (C) SUMMARY. In a meeting with the Ambassador November 22, new Senate President Manuel Villar predicted that the Senate will pass a budget before the end of the calendar year and characterized the chances of passage of the anti-terrorism bill as excellent. Senator Villar suspects that the Arroyo Administration will continue to push for charter change to a parliamentary system, this time through a constitutional assembly method that may not need Senate approval. He characterized his relationship with the Arroyo Administration as "acceptable." He did however underscore that he intends to work with the Administration to achieve quantifiable legislative results. Though sometimes lukewarm on U.S.-Philippine relations, Villar was warm, friendly, and engaging during the meeting. END SUMMARY.

LEGISLATION RATHER THAN INVESTIGATION

12. (C) The Ambassador met November 22 new Senate President Manuel "Manny" Villar, whose Nacionalista Party helped President Arroyo get elected but has been lukewarm towards the Administration since the 2005 elections scandal. Villar was clearly pleased that Ambassador and DCM came to his offices. In a Senate often accused of investigating, rather than legislating, Villar touted legislative initiatives under his leadership. Villar promised that, for the first time in several years, the Senate would pass a budget before the end of the calendar year. Villar voiced support for investment incentives, and lamented that the Philippines had not capitalized on previous regional economic booms. He declared that the Senate would not be a "hindrance" to economic development initiatives.

ANTI-TERRORISM BILL PROCEEDING

13. (C) Villar praised U.S. assistance in addressing terrorism in the Philippines. He added that significant progress had been made on the anti-terrorism bill and stated that prospects for its passage during this Congressional session were excellent. According to Villar, the bill has progressed from a period of interpellation (general discussion in the Senate) to a short period for individual amendments. Following this period for individual amendments, the bill will be forwarded to the House-Senate Conference Committee for conformance. (The House passed its version of the bill earlier this year.)

ADMINISTRATION NOT DONE WITH CHARTER-CHANGE

14. (C) Commenting on a recent close Supreme Court ruling that essentially killed a "People's Initiative" to amend the Constitution, Villar noted that the Arroyo Administration is not yet ready to bury the issue. The proposed amendment would have transformed the government from a bicameral to a unicameral system by abolishing the Senate. According to Villar, the Administration will push for a Constitutional Assembly, whereby three-quarters of the Congress can assemble to revise the Constitution. Because the Senate is comprised of only 24 members and the House of 250, Villar described a scenario wherein House members, without Senate participation, could reach three-quarters of the Congressmen needed for such revision. Villar speculated that in such case, the Senate would have no choice but to raise the issue before the Supreme Court, where any decision is possible, particularly given that the Chief Justice is set to retire next month and the Administration will appoint his successor.

AMBIVALENT ABOUT MALACANANG

15. (C) Villar characterized his relationship with the Arroyo Administration as "acceptable." Speaking specifically about the President, he was ambivalent, "I don't dislike the President, but I don't admire her," he said, but he indicated his strong desire to work with the Administration to obtain "quantifiable" results. He was contemptuous of politicians who work towards the "good of the people." "I don't know what that means; I want to be able to measure what I've accomplished," he said. Villar described himself as a manager with concrete plans rather than a politician with grandiose goals.

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COMMENT

16. (C) Given that Villar tends to be critical of Philippine "subservience" towards the U.S., his candid, warm, and conciliatory tone towards the Ambassador was surprising. Often mentioned as a 2010 presidential contender, Villar, a self-made man and the wealthiest member of the Senate, brimmed with confidence and generally spoke with the self-assurance of a candidate presenting his vision for progress. He was clearly ambivalent about his relationship with President Arroyo, though he appeared to recognize the need to work with her to obtain results.

KENNEY